

4 November 1966

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# WEEKLY SUMMARY

## CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE

State Dept. review completed

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downgrading and declassification

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## C O N T E N T S

(Information as of noon EST, 3 November 1966)

Far EastPage

## VIETNAM

Major engagements between North Vietnamese and US forces in the western highlands and coastal lowlands of II Corps, and intensified Viet Cong terrorism and sabotage in the Saigon area, highlighted this week's military activity in South Vietnam. Premier Ky's cabinet crisis has eased temporarily, and the officers recently elected by the constituent assembly will probably be able to work harmoniously with the government.

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To avoid jeopardizing their heavy stake in Indonesia the Soviets are expected eventually to ease their repayment terms to something close to the formulation tentatively agreed to by Western creditors.

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Peking has claimed that its fourth nuclear test, conducted on 26 October, was of a weapon delivered by a ballistic missile.

25X1 [redacted] indicates that the Chinese are making substantial progress toward a missile strike capability.

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During the past week there were indications suggesting that a new crisis point was near, but the huge rally and parade in Tienanmen Square on 3 November revealed no significant changes in the hierarchy.

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Ghana will soon become the third African country to sever relations with Peking this year, and the New China News Agency office in Mexico City--China's only toehold in Middle America--has been closed.

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### Europe

#### USSR'S LUNA 12 LOOKS AT LUNAR LANDSCAPE

9

This was the first Soviet lunar orbiter to transmit photographs of the moon successfully. [REDACTED]

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[REDACTED] Luna 10, the first Soviet orbiter, did not carry photographic equipment.

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#### SOVIET MILITARY AID TO SYRIA AND CUBA

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Recent deliveries of Soviet aircraft and other military equipment may reflect new but unpublicized agreements reached earlier this year.

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#### EURATOM STUDYING POLISH-CZECH NUCLEAR SAFEGUARDS OFFER

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The West European countries continue to seek consensus for a response to the offer by Poland and Czechoslovakia to submit their atomic energy programs to International Atomic Energy Agency safeguards on condition that West Germany follow suit.

#### ITALY'S SOCIALIST PARTIES REUNITED

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The reunification of the Socialist and Social Democratic parties--which split in 1947--has been formally approved. However, the new party faces a long, uphill struggle to achieve its ultimate objectives of displacing the Communists as Italy's second largest party and the Christian Democrats as the dominant force in the government.

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Middle East - Africa

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 Ghana arrested Guinean delegates transiting Accra en route to the Organization of African Unity (OAU) meeting in Addis Ababa and is holding them as hostages for the return of Ghanaians allegedly kept in Guinea against their will. Guinea, powerless to retaliate, blamed the US on grounds that the Guineans were arrested aboard an American plane. The OAU has dispatched a mediation team.
- MOBUTU PLANS CONGOLESE GOVERNMENT REORGANIZATION 18  
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 Iran is demanding greater increases in production than the consortium is willing to promise, and has threatened legislation to take away some consortium concession areas.

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- LEFTIST MILITANTS TAKE CONTROL OF DOMINICAN OPPOSITION 20  
 Juan Bosch, off to Europe, has at least temporarily turned control of his party over to a leftist militant element. This will confront the Balaguer government with a more vociferous opposition than it has yet encountered.
- COSTA RICA'S PRESIDENT THREATENS TO RESIGN 21  
 The frustrations which led Trejos to threaten to resign last week have apparently been smoothed over for the present, but his ability to cope with the presidency for another three and a half years remains questionable.

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- LABOR AGITATION UNSETTLES URUGUAYAN ELECTION SCENE 22  
The government is reluctant to take emergency measures, which might prove unpopular, but its security officials believe such moves are needed to cope with Communist-inspired labor agitation.
- ATTEMPTED VENEZUELAN REVOLT FIZZLES 23  
Last Sunday's attempted revolt fell apart when its leader was killed while trying to round up support.
- COLOMBIAN PRESIDENT REACTS STRONGLY TO STUDENT VIOLENCE 24  
President Lleras has issued new antisubversive decrees and is determined to use them if necessary to end Communist-led student violence.

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**SECRET**Far EastVIETNAM

Major engagements between North Vietnamese Army (NVA) and US forces in the western highlands and coastal lowlands of II Corps, and intensified Viet Cong terrorism and sabotage in the Saigon area, highlighted this week's military activity in South Vietnam.

Heavy fighting erupted early in the week between NVA regulars and elements of the US 4th and 25th Infantry Divisions during the conduct of Operation PAUL REVERE IV along the Cambodian border in northwestern Pleiku and southwestern Kontum provinces. In a 15-hour period spanning 28 and 29 October, Communist forces launched five company-sized or larger attacks against the defense perimeters of several US companies deployed in an area six to 15 miles west-northwest of Plei Djereng Special Forces Camp. Ten Americans were killed and 43 wounded, as against known enemy losses of 58 killed. Five US helicopters flying medical evacuation and resupply missions in support of the engaged US units were downed by ground fire.

Communist offensive activity has been anticipated in this area since at least mid-September, when major elements of the 1st NVA Division (formerly the 630th) were first detected in a major deployment from their normal base of operations in the Chu Pong Mountain/Ia Drang Valley area of southwestern Pleiku Province northward to the region of the recent fighting. In addition, recent agent reports and troop sightings have indicated impending enemy operations in the vicinity of Plei Djereng. To counter the se-

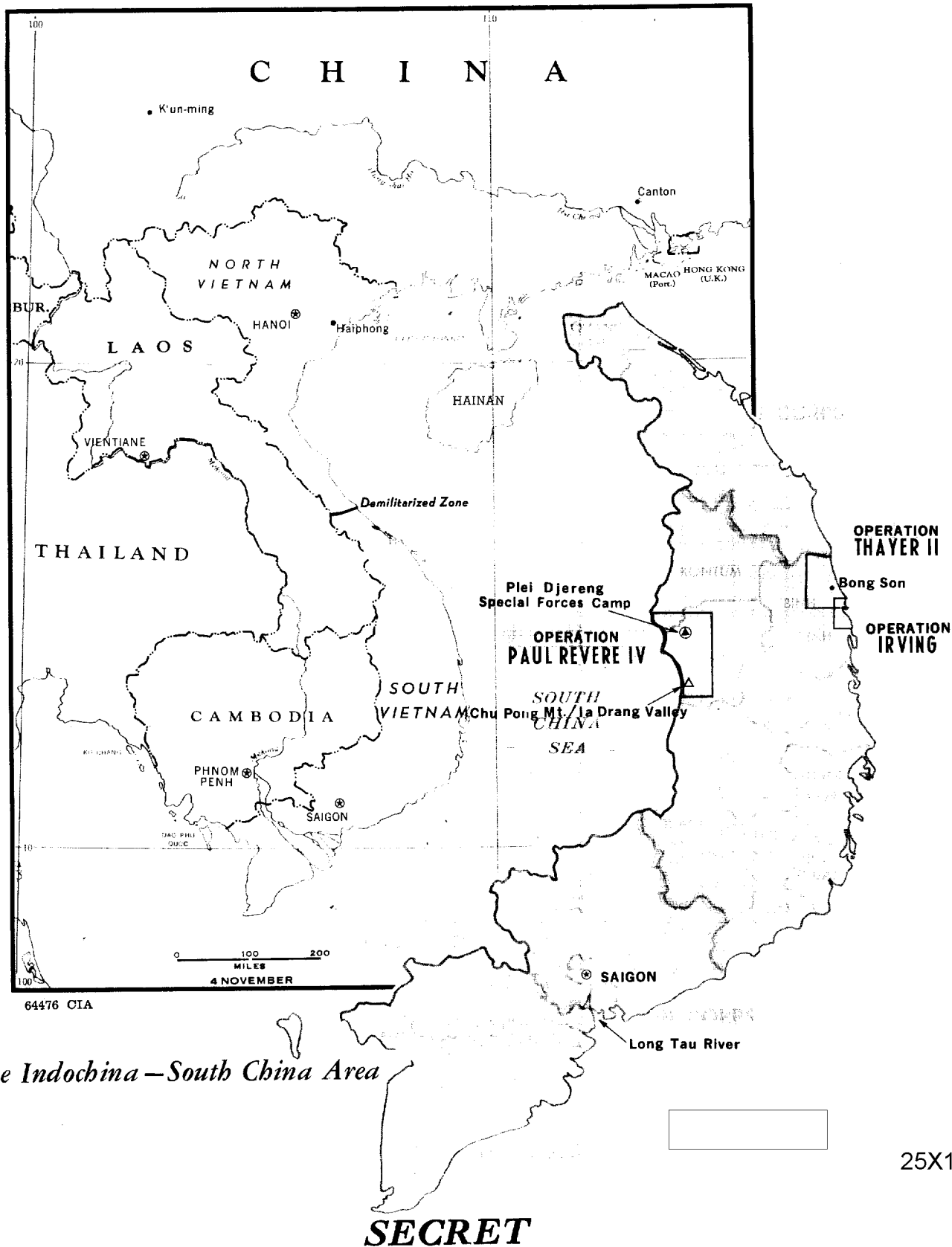
rious threat posed by Communist units in this area of the western highlands, three battalions of the US 1st Air Cavalry Division have reinforced the seven US infantry battalions initially committed to Operation PAUL REVERE IV.

In the northeastern coastal lowlands of Binh Dinh Province, a six-battalion 1st Air Cavalry task force engaged possible elements of the 3rd NVA Division (formerly the 610th) near Bong Son. By week's end this operation--THAYER II--had resulted in 159 Communists killed, 11 captured, and more than 600 suspects detained, in contrast to US casualties of 21 killed and 103 wounded. Major subordinates of the 3rd NVA Division are believed to have deployed to this area of Binh Dinh in an effort to elude Operation IRVING, the highly successful allied ground offensive conducted from 1 to 24 October in the southern coastal portion of the province.

Viet Cong units attempted to disrupt Vietnamese National Day celebrations with a series of terrorist and sabotage actions in the Saigon area on 1 November. Thirteen persons (1 US) were killed and 37 (5 US) wounded when the National Day parade assembly area in downtown Saigon was bombarded by 24 rounds of 75-mm. recoilless rifle fire. At the same time, 13 miles southeast of the capital, enemy saboteurs, hoping to block the main shipping channel to Saigon, mined and sank a US Navy minesweeper in the Long Tau River. Earlier, on 28

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October, Viet Cong mortar and demolition crews were responsible for several major explosions at a large US Army ammunition depot (Long Binh) on the northeastern outskirts of Saigon.

from attracting antigovernment support from other political elements, at least for the time being.

#### Constituent Assembly Elections

The permanent officers and committee chairmen recently elected by the Constituent Assembly constitute a reasonable political and regional balance, and none are known to be hard-line government oppositionists. Elderly Phan Khac Suu was elected assembly chairman, but younger and relatively unknown delegates assumed the other elected positions of assembly leadership. Older, established politicians such as Dang Van Sung and Phan Quang Dan have exerted surprisingly little influence on the majority of delegates thus far.

The elections served to delineate more clearly the relative strengths and coalitions of the various factions in the assembly. In particular, Catholics, northerners, and Dai Viet Party members from central Vietnam exhibited a considerable degree of cohesiveness during the balloting. Although a moderate southerner was elected chairman, northern, Catholic, or Dai Viet candidates for the important posts of secretary general and chairman of the constitution drafting committee were successful, as were those for several lesser positions. The formation of official blocs in the assembly on 31 October revealed that the Democratic (or Catholic) Bloc and the northern - central - Dai Viet Peoples Bloc together constitute a bare majority of the entire assembly. Southerners, who are the largest single regional group, were divided into two other blocs, with some 19 or 20 delegates choosing to remain

Meanwhile, the government's release of a number of political prisoners should conciliate Catholics and moderate Buddhists, and undercut recent charges of police state tactics. Several Catholic officials prominent in the Diem regime were released last weekend in a gesture of good will before the National Day celebrations. The government also attempted to placate the Buddhists by reportedly releasing on 1 November more than 500 political prisoners, most of whom are believed to be Buddhist participants in the abortive "struggle movement" earlier this year. Evidence that the government is resolving the status of political prisoners may also prevent militant southern regionalists

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independent. It is likely that the northern - Dai Viet - Catholic coalition, which also features significant participation by military delegates, will exercise considerable influence during the constitution drafting process which is to begin soon.

#### Infiltration Developments

Recently captured documents confirm the presence of elements of

both regiments of the 341st NVA Division in South Vietnam. These elements apparently crossed the Demilitarized Zone (DMZ) into the eastern portion of Quang Tri Province in September and may now be operating in the same general area as the 324th Division. 25X1

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### INDONESIA ENCOUNTERS HARD LINE IN INITIAL DEBT TALKS WITH USSR

The USSR, Indonesia's largest creditor, took a hard line in the first round of debt negotiations in Moscow from 17 to 22 October. The Soviets offered a moratorium only until 1967 on medium- and long-term debts of about \$1.1 billion and demanded payment this year of commercial debts of about \$20 million.

Moscow's harsh position may be designed to delay a settlement until after Indonesia's third round of talks with Western creditors this month. The Westerners, by contrast, already have agreed in principle to a moratorium of at least two years on medium- and long-term debts, and several major Western creditors are willing to permit a three- to four-year delay.

The Soviet position underscores its desire to be accorded special consideration in the debt negotiations. This attitude stems from the

USSR's pre-eminence as an aid supplier to the Indonesians--half of Indonesia's medium- and long-term obligations are owed to Moscow. Moscow wants to impress on Djakarta that it does not have a blank Soviet check. However, any repayment formula which falls far short of the final Western solution would be impossible for Djakarta to meet and could jeopardize Moscow's presence in Indonesia. The Soviets are expected, therefore, eventually to ease their terms to approximate the formulation arrived at by the Western creditors.

A Soviet decision to insist on less liberal terms could have an adverse effect on the extension of the new Western credits promised Indonesia in September. Western creditors are adamant that new credit not be used in payment of obligations to Communist countries. 25X1

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## CHINESE DEMONSTRATE NUCLEAR WEAPONS DELIVERY CAPABILITY

Peking has claimed that its fourth nuclear test, conducted on 26 October, was of a weapon delivered by a ballistic missile.

Chinese are making substantial progress toward a missile strike capability. The political impact of the explosion probably netted them some immediate gains, which, however, may be partly offset in the longer run.

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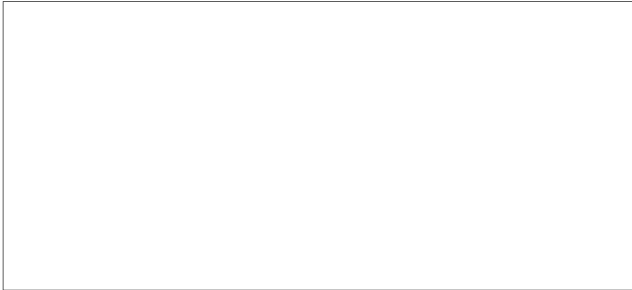
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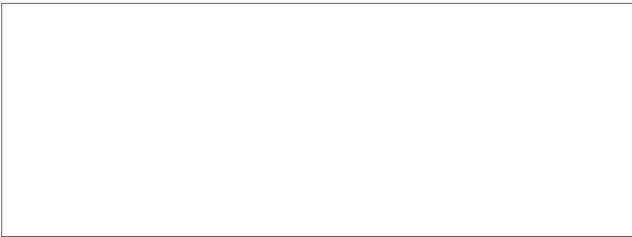
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system. The 26 October test, however, indicates that they have made significant progress in solving at least some of the problems involved.

The exact timing of the test may have been adjusted to come during President Johnson's trip for political effect. The necessary developmental work, however, was under way for many months before the Manila Conference was announced. The test came at a

time when the regime was badly in need of a showy achievement. Coming on the heels of the Manila Conference, it also served as a psychological boost to the Vietnamese Communists and as a reminder that China's military potential must be taken into account in any consideration of the Vietnamese situation. Unlike communiqués issued after earlier tests, Peking's announcement this time mentioned the war in Vietnam.

The Chinese may also have hoped that a demonstration of their scientific capabilities would undercut derisive bloc commentary on the excesses of their "cultural revolution." Some of the political and psychological gains that Peking realized from this test, however, will probably be offset over the longer run by the fear aroused in both the Communist and non-Communist worlds that China is becoming an even more dangerous threat to peace.

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**SECRET****POLITICAL TENSION MOUNTS IN PEKING**

The deadlock between opposing forces in the Chinese Communist leadership remains unresolved. During the past week there were indications suggesting that a new crisis point was near but the huge rally and parade in Tienanmen Square on 3 November revealed no significant changes in the hierarchy.

Two million Red Guards gathered to see Mao and to hear a brief speech by Lin Piao congratulating them on their achievements in recent months and calling for continued efforts to push the "cultural revolution" to victory. Except for Kang Sheng, who is currently in Albania, all members of the politburo standing committee were present.

Liu Shao-chi, Teng Hsiao-ping, and Li Hsueh-feng--who have all been under attack--appeared and were listed by a domestic news service broadcast in the order established at the 18 August rally which revealed the new ranking within the politburo. The other officials present, except for Madame Sun Yat-sen (Sung Ching-ling) who was given place among members of the politburo, were presented in their established positions. Economic planner Po I-po, under attack and out of sight since 31 August, did not show up and may have been sacked.

This latest rally, similar in many respects to the inconclusive rally on 18 October in which no leaders spoke, was preceded by indications of increasing confusion and tension.

At a rally on 31 October commemorating the 30th anniversary of the death of revolutionary writer Lu Hsun, the principal speakers pounded away at the theme--ascribed to Lu Hsun--of unrelenting and merciless struggle against the enemy. Chen Po-ta called on the crowd to follow Lu Hsun's example and "never mix with people who oppose revenge and advocate tolerance." Kuo Mo-jo repeated the injunction to "beat the wild dog to death even though it is already in the water," because "if it is allowed to crawl ashore and recover its breath, it would some day bite and kill many revolutionaries."

Kuo's speech implied that significant political forces are still uncommitted in the struggle. He complained about "peacemakers and fence-sitters" who have attempted to conciliate opposing views. A Red Flag editorial broadcast on the same day warned that "the new forces are growing step by step," and demanded that "everyone must quickly make his choice."

The strength of elements on the side of relative moderation is

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suggested by the fact that another editorial in the same issue of the party journal, not broadcast until 1 November, declared that distinctions should be drawn between various degrees of error. The most guilty--for whom there is no hope of reform--are the "one or two,

or just a few" leaders who put forward the wrong line. Less culpable and therefore presumably to be forgiven if they mend their ways are others who only put the wrong line into effect and a greater number who put it into effect "unconsciously."

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## PEKING LOSES FURTHER GROUND ABROAD

Communist China suffered two more setbacks abroad during the past week. Ghana will soon become the third African country to sever relations with Peking this year, and the New China News Agency office in Mexico City--China's only toe hold in Middle America--has been closed.

After temporizing for nine months, the Ghanaians presented the Chinese with an aide-memoire on 20 October stating that relations were being "suspended." Peking responded on 28 October by announcing that the embassy in Accra would be withdrawn. Accra's decision to break appears to have been precipitated by a recent harsh Chinese protest note, and revelations by a recent defector from Nkrumah's entourage who implicated the Chinese in plotting to restore Nkrumah to power.

The NCNA office in Mexico City was abruptly closed on 28 October, and the three-man staff has made preparations to go home. Although the Mexican Government did not demand that NCNA shut down, official harassments over visas and government criticism of the NCNA's non-journalistic activities have contributed to Chinese difficulties.

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It is not yet clear whether Peking intends to close the Mexico City office permanently or will send out replacements.

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## USSR'S LUNA 12 LOOKS AT LUNAR LANDSCAPE

On 29 October, four days after Luna 12 began orbiting the moon, the Soviets announced successful photography of the lunar surface and displayed two pictures on Moscow television.

As usual, the Soviets did not reveal beforehand that Luna 12 would attempt photographs, nor have they ever admitted that the partially successful Luna 11 was designed to take pictures.




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probe. The Soviets' other lunar orbiter--Luna 10--did not carry photographic equipment.
























































































































An unusual feature of the Luna 12 operation was the successful effort by the Soviets to schedule initial transmissions of photographs from the spacecraft

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 PARTIAL SUCCESS  
 SUCCESS  
 FAILURE

## SOVIET LUNAR PROGRAM SINCE 1963

		OUTCOME OF EACH FLIGHT PHASE						
LAUNCH DATE	SOVIET DESIGNATION	Launch by ICBM	3rd Stage to Orbit	Stabilization in Parking Orbit	4th Stage Ejection	Spacecraft Midcourse Functions	Arrival Functions	Mission Operations
4 Jan 63	LUNA 4							
3 Feb 63								
2 Apr 63								
21 Mar 64								
20 Apr 64	COSMOS 60							
12 Mar 65								
10 Apr 65	LUNA 5							
9 May 65								
8 Jun 65								
4 Oct 65	LUNA 6							
3 Dec 65	LUNA 7							
31 Jan 66	LUNA 8							
1 Mar 66	LUNA 9							
1 Mar 66	COSMOS 111							
31 Mar 66	LUNA 10							
24 Aug 66	LUNA 11							
22 Oct 66	LUNA 12							

Soft Landing Attempt

Orbiting Attempt

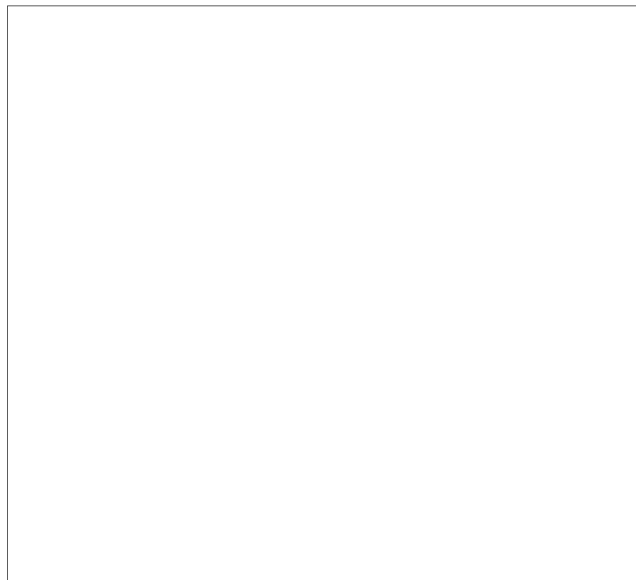
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There are indications that preparations for Luna 12 were rushed to meet its 22 October launch date. On 20 October, as part of a demonstration for visiting Communist heads of state, the Soviets orbited two earth

satellites--a Molniya communications vehicle and a reconnaissance satellite. One of these operations probably used the launch pad from which Luna 12 was fired. If so, the Luna 12 launch vehicle was erected on its pad, given a final checkout, fueled, and launched in only two days.

One explanation for a rush to launch on the 22nd is that the Soviets were trying for optimum photography of the area in which Luna 9 had landed. Lighting conditions on the 26th approximated those in February when Luna 9 took its pictures of the lunar terrain. A comparison of Luna 9 and Luna 12 photographs of this area would be of great value if the photographs were made under nearly identical lighting conditions. 

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**SECRET****SOVIET MILITARY AID TO SYRIA AND CUBA**

Recent Soviet military aid deliveries to Syria and Cuba may reflect new but unpublicized agreements reached earlier this year.

The Soviet freighter Fizik Lebedev arrived in Latakia on 22 October and unloaded a military cargo including two YAK-18 trainers and engines for IL-28 jet light bombers. This shipment may be the first delivery under a new arms agreement believed to have been signed in April when Syria's premier, accompanied by his defense minister, visited the USSR. Moscow has given strong diplomatic and economic support to the revolutionary Syrian regime since it came to power in February. The conclusion of an arms agreement would be consistent with Moscow's desire to keep the new order in power.

Although details of the arrangement are not known, ground forces equipment and additional jet aircraft, including the SU-7 (Fitter) fighter bomber, probably were ordered. Some equipment still remains to be delivered under the October 1964 Soviet-Syrian arms agreement.

Raul Castro, Cuba's defense minister, is also believed to

have concluded a new military aid agreement when he visited Moscow last spring.

In September and October, Havana received the first significant deliveries of major Soviet military equipment in over two years. Both shipments included aircraft, the first since mid-1964. The most recent delivery included at least three MIG-15 and ten MIG-17 jet fighters, as well as two MIG-21 FLs (the version with a limited all-weather capability). The MIG-15/17 aircraft may be replacements for those worn out or destroyed in accidents. Introduction of the MIG-21 FL will increase Cuba's air defense capabilities.

Four Soviet ships have delivered military cargo to Cuba this year and another ship,

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will arrive shortly. Shipments in recent years--five in 1965, seven in 1964, and ten in 1963--primarily consisted of maintenance equipment, spare parts, ammunition, and SA-2 missiles to replace those nearing the end of their storage life. Moscow has supplied the Castro government with about \$500 million worth of military aid since mid-1960.

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**SECRET****EURATOM STUDYING POLISH-CZECH NUCLEAR SAFEGUARDS OFFER**

The West European countries continue to seek consensus for a response to the offer by Poland and Czechoslovakia to submit their atomic energy programs to International Atomic Energy Agency (IAEA) safeguards on condition that West Germany follow suit. The proposal--advanced at the IAEA conference in Vienna on 22 September--offers the possibility, for the first time, of international inspections within Communist countries.

On 27 October, Bonn issued a "holding" statement which cited the "comprehensive arrangements" currently applicable to West Germany and reiterated the seriousness with which it would study the proposal with the other members of EURATOM. The Poles seem satisfied that Bonn is giving their proposal careful consideration. Czechoslovakia has neither followed up on the original offer nor reacted to the Bonn reply.

Within EURATOM, the French position may ultimately be the crucial one and all indications suggest that Paris would not favor extension of IAEA safeguards into EURATOM territory.

The French tend to view their relationship to EURATOM as one which allows direct surveillance of West Germany's nuclear programs by France in exchange for a certain degree of EURATOM interfer-

ence in the French program. French officials also argue that any direct IAEA controls would be the first step toward the introduction throughout the EURATOM area of "bloc espionage" via safeguards inspectors. Paris would also welcome the opportunity to gain favor with Bonn at the expense of the US by posing as a "protector" of West Germany from "discriminatory" double safeguards.

The EURATOM Commission, however, has been attempting to regularize relations with the IAEA in recent years and will probably seek some constructive reply to the Polish-Czech proposal. In the view of some key EURATOM officials, having dual IAEA-EURATOM controls in West Germany but only EURATOM controls elsewhere in the community would not be politically compatible with European unification.

On the other hand, these same officials are currently preparing to propose that EURATOM negotiate a formal "cooperation agreement" with the IAEA--a broad agreement providing a framework for improved relations in all appropriate fields, including documentation, technical data, and safeguards. If the IAEA response were favorable, a positive reply to at least the spirit of the Polish-Czech offer might be devised.

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**SECRET****ITALY'S SOCIALIST PARTIES REUNITED**

The reunification of Italy's Socialist (PSI) and Social Democratic (PSDI) parties--which split in 1947--was formally approved on 30 October by a constituent assembly of delegates of the two parties. On the basis of their present strengths, the PSI and PSDI--which have been partners in the Christian Democratic - led government coalition since 1963--command the support of nearly one fifth of the electorate. However, the new party faces a long, uphill struggle to achieve its ultimate objectives of displacing the Communists as the second largest party in Italy and eventually replacing the Christian Democrats as the dominant force in the government.

Vice Premier Pietro Nenni (PSI) will be president of the unified PSI-PSDI, and two secretaries general, Francesco De Martino (PSI) and Mario Tanassi (PSDI) will serve until the first party congress in 1968. In the meantime, the process of merging the two distinct party organizations will be difficult.

This will involve the cut-back and redistribution of thousands of party posts. Similar, but less serious, difficulties

are likely to be encountered in the preparation of joint party slates in forthcoming local elections and for the 1968 national parliamentary elections. Eventually a permanent solution will have to be found for other problems, such as the issue of PSI collaboration with the Communists (PCI) in Italy's largest trade union.

The PSDI leaders will probably join the Nenni element in the PSI to form a majority capable of orienting the new party's foreign policies along lines more favorable to the US than those of the PSI alone. In the mix-up following reunification, however, new groups, currents, and ties may be formed, with consequences that cannot be foreseen now.

The question of the net voter strength accruing to the united party will receive only a partial answer in the scattered local elections scheduled for this month. A better test will be the Sicilian regional elections next spring (involving approximately ten percent of the Italian electorate), but a more complete answer must await the 1968 national election.

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**SECRET**Middle East - Africa**GUINEA-GHANA DISPUTE GENERATES INTERNATIONAL TENSIONS**

Ghana's apparently impromptu detention on 29 October of the Guinean delegation transiting Accra en route to the Organization of African Unity (OAU) ministerial council in Addis Ababa has thrown the OAU into confusion and threatened US relations with Guinea. However, a three-nation mediation mission, currently conducting talks with the principals in the case, offers some hope for a solution.

Accra maintains that it is holding the Guinean delegation, which includes Foreign Minister Beavogui, as hostages against the return of approximately 100 Ghanaians which it claims are being held in Guinea against their will. The military government has begged the issue of the violation of international conventions and insists that it will not release the Guineans until some of its own grievances are satisfied. On the whole, it is pleased with the international attention its action has attracted and feels that it has bolstered its civilian support at home.

The OAU ministerial council opened on schedule on 31 October but its first two days were taken up with the Guinea-Ghana dispute. It finally dispatched a mission composed of delegates from Sierra Leone, Congo (Kinshasa), and

Kenya to negotiate with Accra and Conakry and report back before the scheduled opening of the OAU heads-of-state meeting on 5 November. The council later settled into discussing the more routine items on its agenda.

In Guinea, reaction to the delegation's detention led to a serious outbreak of anti-Americanism. Apparently prompted by feelings of humiliation and frustration, President Touré--who has no direct leverage on Ghana--has attempted to pin responsibility for the incident on the US on the grounds that an American carrier was involved and that no US protest was lodged in Ghana. The US Embassy was harassed by mobs on 31 October, and some American personnel are still either confined to quarters or required to have a police escort. Touré publicly threatened formal reprisals against the US if it did not act to bring about the delegation's release. However, on 2 November Guinea's top political body issued a statement containing a rationalization of charges which seems designed to enable Conakry to save face while backing away from any more drastic action against the US.

Domestic political problems may have been a factor in

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Guinea's search for a scapegoat. Factionalism, focused partly on whether Guinea's orientation should be made more pro-American or more pro-Communist, has created difficulties within the single-party regime for some time and there have long been rumors of plotting against Touré. Representatives of several Communist countries in Conakry, notably Chinese and Cubans, appear to have exploited the anti-American demonstrations.

In the dispute with Ghana, Conakry has consistently maintained that the Ghanaians there are free to leave anytime they wish, and has publicly invited the OAU mission to interview them on the subject. If Accra can be persuaded to accept the mission's findings or be satisfied with the return of a small number of its nationals--most of them members of former president Nkrumah's entourage--there may be hope for an early resolution of this particular dispute.

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## MOBUTU PLANS CONGOLESE GOVERNMENT REORGANIZATION

Congolese President Mobutu is taking a further step to increase his powers. Having assumed the premiership himself after ousting premier Mulamba last week, Mobutu now plans to form a new presidential cabinet to ride closer herd over the present incompetent Council of Ministers. The new cabinet will be made up of young university graduates in Mobutu's personal entourage. His aim seems to be to make it impossible for the premiership to function again as a potential focus of discontent.

The intellectuals who will be in the new cabinet are generally capable, but inexperienced. They espouse leftist views and are frequently anti-Belgian and anti-US, but they probably are

not Communists. Under the new arrangement, the present ministers, formerly under Mulamba, will report to one of the cabinet members who will handle routine matters and refer the essential and unresolved points to Mobutu. The exact chain of command or composition of the cabinet is not clear, but the more experienced advisers like Foreign Minister Bomboko and Transport Minister Nendaka are expected to remain close to Mobutu.

Mobutu decided at the last minute not to attend the OAU summit conference in Addis Ababa so that he could immediately undertake his reorganization.

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**SECRET****IRAN AND WESTERN OIL CONSORTIUM AT ODDS OVER PRODUCTION INCREASE**

A confrontation is developing between the government of Iran and the Western oil consortium operating there. The Shah is demanding a greater increase in production than the oil companies are willing to promise. He appears ready to compromise somewhat, but he remains convinced that Iran deserves a larger share of the world oil market.

Last spring the Shah demanded that the consortium increase 1966 production by at least 17.5 percent over 1965, but the consortium refused to go beyond 9-11 percent. At the London meetings of the consortium in October, National Iranian Oil Company President Egbal again raised the issue. He said the consortium could either increase production by 17 percent in 1967 and 1968 or pay Iran the difference in hard currency. When this proposal was rejected, Egbal suggested that the consortium sell oil to Iran "at cost." Iran could in turn sell the oil in nonconsortium markets, i.e., Eastern Europe. The consortium's response to this suggestion, which must be made by 22 November, is expected to be negative.

Prime Minister Hoveyda warned on 22 October that if Iranian demands were not met, Iran would introduce legislation to take away some of the consortium's concession area granted

through a 1954 agreement. Hoveyda maintained that Iran cannot permit large oil reserves to lie untouched when Tehran so urgently needs foreign exchange to finance its economic and defense programs. The Shah also wants extra oil to sell to Eastern Europe in return for machinery and industrial equipment. One such barter agreement--involving more than \$100 million over a ten-year period--has already been concluded with Rumania, and others reportedly are being negotiated.

The US ambassador believes that the Shah will not rush into unilateral action, especially if the consortium has some positive counterproposals. The Shah indicated [redacted]

[redacted] that he had become concerned about public agitation on the question, and had ordered a moratorium on the anticonsortium press campaign. He also stated that he would compromise somewhat, for example, on the amount of production increase.

The consortium must offer the Shah some face-saving proposals, however, if unilateral legislation is to be avoided. A high-level consortium official in Iran fears that the member companies are in no mood to compromise, despite their belief that the situation is "very, very serious." The UK and US ambassadors are pessimistic about an early solution.

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**SECRET**Western Hemisphere**LEFTIST MILITANTS TAKE CONTROL OF DOMINICAN OPPOSITION**

Leftist militants gained at least temporary control of the Dominican Revolutionary Party (PRD) on 29 and 30 October in the wake of Juan Bosch's decision to resign the party's presidency. Their ascendancy in the country's largest and most influential opposition party will confront the Balaguer government with a more vociferous opposition than it has yet encountered. The new leadership may in due course enter into active cooperation with the far left to try to topple the regime. In any case, domination of the PRD by this element raises some question that the party can retain its broad base and non-Communist reformist orientation.

The new PRD leaders, characterized by their youth and extreme nationalism, recently have taken a more defiant tone in their criticism of the Balaguer government, renewing charges that the President was fraudulently elected, and comparing his regime to the Reid government, overthrown in 1965. Some of the new leaders have a long history of cooperation with and tolerance of the country's Communist groups. The extreme line they are taking suggests a growing coalescence of their views and those of the Communists, who advocate Balaguer's forcible overthrow.

The number one PRD leader for the moment is 29-year-old Jose Francisco Pena Gomez, who holds the post

of provisional secretary general. He has long been a close supporter of Bosch and has worked to paper over differences between the party's moderates and radicals. More recently, however, he has said that to survive as a viable political instrument the PRD must advocate a militant brand of "democratic socialism" and adopt a "revolutionary and nationalistic" policy toward Balaguer. Pena was a major figure in the plotting that resulted in the ouster of President Reid.

The new leaders are technically acting in a temporary capacity, and Bosch's intention may be to leave open the question of future party leadership. He is still a party "adviser" and, despite his withdrawal from party affairs to take an extended trip to Europe, he cannot yet be completely counted out of Dominican politics. Bosch has said he welcomes the "new generation of leaders" to the PRD, and his recent bitter attacks on the US and Balaguer demonstrate an affinity with their thinking.

Moderate PRD elements seem resigned to their defeat and some have already left the party. Balaguer has said that the way is now open for them to establish a progovernment party independent of the PRD. His past support for PRD dissident Angel Miolan suggests he may be willing to aid them in this effort.

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**SECRET****COSTA RICA'S PRESIDENT THREATENS TO RESIGN**

The frustrations which led President Jose Joaquin Trejos to threaten to resign last week have apparently been smoothed over for the present, but his ability to cope with the presidency for another three and a half years remains questionable.

Trejos, who last February defeated Daniel Oduber of the National Liberation Party (PLN) by a very slim margin, headed an election coalition of three diverse parties. The leaders of these parties have constantly maneuvered behind the scenes for control of the government. To add to Trejos' troubles, his coalition did not elect a majority to the legislature. This left that body in control of the opposition PLN, which has impeded his badly needed economic reform program.

Trejos is believed to have threatened resignation in order to bring the PLN deputies into line. He apparently intended to bypass the first vice president and name the second vice president, Virgilio Calvo, as

his successor. Calvo is a follower of Rafael Angel Calderon Guardia, toward whom there is considerable antagonism, especially within the PLN, because of his responsibility for precipitating the 1948 civil war.

Moreover, succession of a Calderonista to the presidency would upset the balance of power within the coalition. One of the coalition leaders, Otilio Ulate of the National Union Party (PUN), a long-time political enemy of Calderon, said his party would take to the streets to prevent a return of Calderonism.

Even though Trejos still refuses to "stoop to politics"--his definition of trying to accommodate opposition views--some government officials have already begun to arrange talks with opposition leaders in an effort to avoid a showdown. Ulate, in conversation with the US ambassador, was cautiously optimistic that neither side wants to bear the responsibility of bringing chaos to traditionally tranquil Costa Rica.

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**SECRET****LABOR AGITATION UNSETTLES URUGUAYAN ELECTION SCENE**

Uruguay's top security officers--including Interior Minister Storace--want to institute emergency security measures to cope with the protracted Communist-inspired labor agitation. The current wave of strikes and slowdowns is disrupting the economy and creating undesirable tension in advance of the general elections scheduled for 27 November. The governing council, however, is reluctant to take any action which would be politically unpopular.

The Communist Party of Uruguay (PCU) is planning large-scale street demonstrations before the elections. Party leaders have called on members to step up their efforts to exploit labor unrest, increasing the danger of violence. Some violence has already erupted. Communist strong-arm men attacked democratic trade unionists--some of them graduates of the local US backed American Institute for Free Labor Development (AIFLD) affiliate--reporting for work at a textile plant. Six were wounded in the ensuing melee, and the Communist press and much of the non-Communist press cast the blame on AIFLD. The Communists have mounted a major campaign to oust AIFLD and its US employees.

Communist pressure was also responsible for forcing the Uruguayan Congress back into special session to pass additional labor legislation. Strikes are continuing, and bank employees' slowdowns and a bank lock-out have severely impeded commercial activity. Aside from their political motives, the Communists are aided in their endeavors by legitimate workers' grievances.

The approaching elections make it difficult for Congress to achieve a quorum. Even if additional legislation is enacted, the two major parties stand to lose politically. If they vote against labor legislation, they can be condemned as antiworker. If they vote for it, the Communists take the credit, which can only help their election showing. Although in 1962 the PCU received only about 3.5 percent of the total vote, party leaders expect to more than double their previous showings.

In addition, the country is in severe economic straits. The question of how to satisfy labor's demands without contributing to soaring inflation has so far received no serious consideration by the politicians.

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**SECRET****ATTEMPTED VENEZUELAN REVOLT FIZZLES**

An attempted revolt last Sunday in Venezuela progressed little beyond the plotting stage.

On 30 October. Lt. Col. Clemente Pacheco Ochoa, an officer at a national guard training center near Caracas, arrested several officers of the school, and proclaimed a revolt against the government. He was killed when he tried to force others to join him. The government has arrested another officer and a student who were directly implicated. It also has rounded up about 50 persons, both retired military and civilians who are allegedly connected with the Nationalist Civic Crusade, a political front supporting ex-dictator Marcos Perez Jimenez.

Various government spokesmen have claimed that the plot involved more than an isolated incident. There is tenuous evidence of a wider organization, but nothing definite as to the objectives of the plotters has been revealed.

The revolt is symptomatic of the antigovernment plotting which is endemic in Venezuela, especially in military circles. In 1962, two violent leftist military revolts occurred, but neither was able to gain wide popular support. The 30 October incident was the first military violence since Raul Leoni assumed the presidency in 1964, although during September 1966 there were

reports of widespread military dissatisfaction with his government because of various changes in military assignments.

The latest incident is also the first time that the national guard, traditionally a respected, apolitical organization, has been involved in antigovernment activities. The government may attempt to use the incident to increase its active control over the national guard.

The Venezuelan military on the whole appear to be developing a fairly responsible attitude toward constitutional government, although isolated incidents can be expected to occur from time to time. There is little likelihood that widespread military or popular support could be mobilized behind a military coup attempt at the present time.

The Venezuelan Communist Party does not seem to have been involved in the October incident. One of Pacheco's collaborators reportedly has a Communist record, but there is no concrete evidence linking leftists to the plot. Although guerrillas are still operating in several areas of Venezuela, their effectiveness has been limited in recent months. Urban terrorism has increased lately, but not to a degree capable of bringing down the government. [REDACTED]

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## COLOMBIAN PRESIDENT REACTS STRONGLY TO STUDENT VIOLENCE

President Lleras' strong stand against subversion has dealt a severe blow to Colombia's leftist students and to its Communist Party.

In a contest with Communist student leaders in September over a threatened strike, Lleras outmaneuvered the students at every turn. At that time he promulgated a decree penalizing students for missing classes because of strikes.

Smarting from the September defeat, students took advantage of a visit by Lleras to the university on 24 October to organize a minor riot during which stones were thrown at him. In putting down the riot, the army violated traditional university autonomy and arrested about 50 students. The President again reacted

swiftly by issuing three stringent antisubversive decrees which had apparently been readied earlier to be brought out at an opportune moment.

The new laws state that anyone "linked to subversive activities" can be held under house arrest, that subversive publications can be banned and the property of their publishers confiscated, that travel to Cuba is forbidden, and that the student council at National University is suspended. The decrees affirm the legal right of the police and soldiers to enter university grounds to preserve order. They also provide severe punishment for stone-throwing, impeding traffic, and baiting policemen.

Lleras left no doubt about his determination to implement the decrees.

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